



**Date:** October 14, 2015

**Quarterly Report of the North Shore Gas Company and the Peoples Gas Light and Coke Company**

***Program Year 5, 1<sup>st</sup> Quarter Qualitative Report, June-August 2015***

Pursuant to the Illinois Commerce Commission (“Commission”) final order in Docket No. 13-0550, attached is the Program Year 5 (PY5), First Quarter (1Q) qualitative report accompanying the PY5, 1Q quantitative report which details program results from a savings and cost perspective.

By utility and each of the five programs in the portfolio, the following is summarized:

- a. Program activities
- b. Implementation modifications
- c. Additions or discontinuations of specific measures or services
- d. Changes due to EM&V Input, TRM changes, NTG changes, or market research findings, and
- e. TRC screening results for new measures added.

The Peoples Gas Light and Coke Company (PGL) program highlights begin on Page 2; North Shore Gas Company (NSG) program highlights begin on Page 6.

# Peoples Gas

## Portfolio Performance Overview

- At 25% through PY5, the Peoples Gas Natural Gas Savings Programs have achieved 16% realized savings, utilizing 13% of the budget.
- Each program has been modified for the new Program Year in response to market demands, customer feedback, and to ensure goal attainment. These changes are outlined within each program section below.
- We have a strong pipeline in most programs and expect good performance in conjunction with the advent of the heating season.

### 1. Residential Programs

#### a. Program Activities

- The PGL Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 21% realized savings through Q1 for PY5. The Home Energy Jumpstart Program accounted for 80% of savings that were realized in the Residential Programs during Q1. Higher therm savings per home is driving our strong Q1 performance. This is as anticipated, and we expect our Home Energy Rebates Program savings to increase with the start of the heating season.
- Home Energy Jumpstart therm savings increased from an average of 48 therms per home in PY4 to 63 therms per home in Q1 of PY5. This increase is primarily attributable to additional thermostat installs (new programmable thermostat installations and re-programming existing thermostats).

#### b. Implementation Modifications

- To offer our Home Energy Jumpstart service to more customers in Program Year 5 (12,500 homes vs. 7,500 homes in PY4) and provide a more personalized customer experience, the program changed the field crew composition from 2-person crews to single-person crews.

#### c. Addition or Discontinuation of Specific Measures or Services

- The ecobee3 Smart Thermostat was introduced to qualifying Home Energy Jumpstart customers for a \$150 co-pay.

#### d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings

- None during Q1

- e. For New Measures Added, TRC Screening Results
  - Smart Thermostats are currently being reviewed by Navigant. No TRC or savings values have yet been deemed.

## **2. Multi-Family Programs**

- a. Program Activities
  - The PGL Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Custom and Gas Optimization Programs) delivered strong results in Q1, achieving 18% realized savings during Q1. Total pipeline and realized savings through Q1 account for 45% of the program savings goal.
- b. Implementation Modifications
  - Direct program rebates were made available for weatherization measures (air sealing, attic insulation and duct sealing) beginning in PY5. In the previous program year, weatherization measures had been eligible for on-bill financing only.
  - To encourage greater trade ally participation in the Multi-Family Programs in PY5, Trade Allies must now engage customers to participate in the Multi-Family Jumpstart Program in order to be eligible to deliver higher Partner Trade Ally (PTA) incentives to customers. PTA status is attained once a contractor engages at least 200 living units to participate in the Multi-Family Jumpstart Program.
- c. Addition or Discontinuation of Specific Measures or Services
  - Steam pipe insulation has been limited to 250 feet per building to ensure a diverse measure mix in PY5.
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
  - None during Q1
- e. For New Measures Added, TRC Screening Results
  - None during Q1

## **3. Residential Outreach and Education Programs**

- a. Program Activities
  - Home Energy Report mailings will begin for the new program year in Q2.

- The Elementary Education Program begins enrollment for the 2015/2016 school year on September 28, 2015. The program goal remains the same as in PY4: 4,250 kits.
- b. Implementation Modifications
    - None during Q1
  - c. Additions or Discontinuation of Specific Measures or Services
    - None during Q1
  - d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
    - None during Q1
  - e. For new measures added, TRC screening results
    - None during Q1

#### **4. Business Programs**

- a. Program Activities
  - The PGL Business Programs (Direct Install, Engineering Studies, Prescriptive, Custom, and Custom Optimization) achieved 3% realized savings in Q1. Total pipeline and realized savings through Q1 account for 71% of the program savings goal.
- b. Implementation Modifications
  - With the launch of PY5, implementation continues as planned with modifications outlined below.
- c. Additions or Discontinuation of Specific Measures or Services
  - The jointly-delivered Retrocommissioning (RCx) Program was expanded to include three additional tracks:
    - RCxpress
    - MBCx (monitoring-based comissioning)
    - Building Tune-Up
  - Per the Final Order, we introduced a jointly-delivered New Construction Program with ComEd.
  - New Prescriptive and Direct Install Program measures were added for PY5. These included re-programmed thermostats, process boiler tune-ups, commercial furnace >95% AFUE, direct-fired heaters, and dock door seals.

d. Changes Due to EM&V Input, IL TRM changes, NTG Changes, or Market Research Findings

- None during Q1

e. For New Measures Added, TRC Screening Results

- C&I Direct Install - Re-Program Thermostat, TRC = 16.28
- C&I Prescriptive - Boiler Tune-Up - Process, TRC = 1.96
- C&I Prescriptive - Commercial Furnace >95% AFUE, TRC = 1.49
- C&I Prescriptive - Direct Fired Heaters, TRC = 4.44
- C&I Prescriptive - Dock Door Seals, TRC = 1.10

## **5. Small Business Programs**

a. Program Activities

- The PGL Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 16% realized savings in Q1. Total pipeline and realized savings through Q1 account for 26% of the program savings goal.

b. Implementation Modifications

- With the launch of PY5, implementation continues as planned with modifications outlined below.

c. Additions or Discontinuation of Specific Measures or Services

- The Small Business Programs added rebates for Laundromat water heaters, direct-fired heaters, and dock door seals in PY5.

d. Changes due to EM&V Input, IL TRM changes, NTG change, market research findings

- None during Q1

e. For new measures added, TRC screening results

- SB Prescriptive - Water Heater 88% TE - Laundromat, TRC = 10.19
- SB Prescriptive - Direct Fired Heaters, TRC = 4.44
- SB Prescriptive - Dock Door Seals, TRC = 1.06
- SB PTA - Water Heater 88% TE - Laundromat, TRC = 10.19
- SB PTA - Direct Fired Heaters, TRC = 4.44
- SB PTA - Dock Door Seals, TRC = 1.06

## North Shore Gas

### Portfolio Overview

- At 25% through PY5, the North Shore Gas Natural Gas Savings Programs have achieved 6% realized savings, utilizing 11% of the budget.
- Each program has been modified for the new Program Year in response to market demands, customer feedback, and to ensure goal attainment. These changes are outlined within each program section below.
- A majority of savings in the North Shore Gas territory are delivered via Home Energy Rebates, Home Energy Reports, and the C&I programs. Those savings are not realized until late in each program year (May/June) and expect good performance in conjunction with the advent of the heating season.

### 1. Residential Programs

#### a. Program Activities

- The NSG Residential Programs (Home Energy Jumpstart and Home Energy Rebates) achieved 37% realized savings through Q1 for PY5, with the Home Energy Rebates program accounting for 63% of all realized savings within the Residential programs in Q1. Realized savings are expected to increase in both programs through the heating season.
- Higher therm savings per home is a driver of our strong Q1 performance. Home Energy Jumpstart therm savings per home has increased from an average of 49 therms per home in PY4 to 61 therms per home in Q1 of PY5. This increase is primarily attributable to additional thermostat installs (new programmable thermostat installations and re-programming existing thermostats).

#### b. Implementation Modifications

- To offer our Home Energy Jumpstart service to more customers in PY5 (2,500 homes vs. 1,500 homes in PY4) and provide a more personalized customer experience, the program changed the field crew composition from 2-person crews to single-person crews.

#### c. Addition or Discontinuation of Specific Measures or Services

- The ecobee3 Smart Thermostat was introduced to qualifying Home Energy Jumpstart customers for a \$150 co-pay.

- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
  - None during Q1
- e. For new Measures Added, TRC Screening Results
  - Smart Thermostats are currently being reviewed by Navigant. No TRC or savings values have yet been deemed.

## **2. Multi-Family Programs**

- a. Program Activities
  - The NSG Multi-Family Program (Multi-Family Jumpstart, Prescriptive, Partner Trade Ally, Custom and Gas Optimization Programs) delivered strong results in Q1, achieving 17.5% realized savings during Q1. Total pipeline and realized savings through Q1 account for 60% of the program savings goal.
- b. Implementation Modifications
  - Direct program rebates were made available for weatherization measures (air sealing, attic insulation and duct sealing) beginning in PY5. In the previous program year, weatherization measures had been eligible for on-bill financing only.
  - To encourage greater trade ally participation in the Multi-Family Programs in PY5, Trade Allies must now engage customers to participate in the Multi-Family Jumpstart Program in order to be eligible to deliver higher Partner Trade Ally (PTA) incentives to customers. PTA status is attained once a contractor engages at least 200 living units to participate in the Multi-Family Jumpstart Program.
- c. Addition or Discontinuation of Specific Measures or Services
  - Steam pipe insulation has been limited to 250 feet per building to ensure a diverse measure mix in PY5.
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research findings
  - None during Q1
- e. For New Measures Added, TRC Screening Results
  - None during Q1

### **3. Residential Outreach and Education Programs**

#### **a. Program Activities**

- The Home Energy Reports Program will not send reports until Q2; however, 9% of the PY5 savings goal was achieved due to persistent savings from the PY4 report recipient group during the summer months.
- The Elementary Education Program begins enrollment for the 2015/2016 school year on September 28, 2015. The program goal remains the same as in PY4: 700 kits.

#### **b. Implementation Modifications**

- None during Q1

#### **c. Additions or Discontinuation of Specific Measures or Services**

- None during Q1

#### **d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings**

- None during Q1

#### **e. For New Measures Added, TRC Screening Results**

- None during Q1

### **4. Business Programs**

#### **b. Program Activities**

- The NSG Business Programs (Direct Install, Engineering Studies, Prescriptive, Custom, and Custom Optimization) achieved 4% of realized savings in Q1. Total pipeline and realized savings through Q1 account for 79% of the program savings goal.

#### **c. Implementation Modifications**

- With the launch of PY5, implementation continues as planned with modifications outlined below.



- d. Additions or Discontinuation of Specific Measures or Services
  - The jointly-delivered Retrocommissioning (RCx) Program was expanded to include three additional tracks:
    - i. RCxpress
    - ii. MBCx (monitoring-based comissioning)
    - iii. Building Tune-Up
  - Per the Final Order, we introduced a jointly-delivered New Construction Program with ComEd.
  - New Prescriptive and Direct Install Program measures were added for PY5. These included re-programmed thermostats, process boiler tune-ups, commercial furnace >95% AFUE, direct-fired heaters, and dock door seals.
- e. Changes Due to EM&V Input, IL TRM changes, NTG Changes, or Market Research Findings
  - None during Q1
- f. For New Measures Added, TRC Screening Results
  - C&I Direct Install - Re-Program Thermostat, TRC = 16.70
  - C&I Prescriptive - Boiler Tune-Up - Process, TRC = 2.01
  - C&I Prescriptive - Commercial Furnace >95% AFUE, TRC = 1.53
  - C&I Prescriptive - Direct Fired Heaters, TRC = 4.54
  - C&I Prescriptive - Dock Door Seals, TRC = 1.13

## **5. Small Business Program**

- a. Program Activities
  - The NSG Small Business Programs (Energy Assessment and Direct Install, Prescriptive, Partner Trade Ally, and Custom) achieved 58% realized savings in Q1. Total pipeline and realized savings through Q1 account for 80% of the program savings goal. This strong initial performance is largely attributable to the participation a number of churches, and a dry cleaner project that carried over from PY4.
- b. Implementation Modifications
  - With the launch of PY5, implementation continues as planned with modifications outlined below.
- c. Additions or Discontinuation of Specific Measures or Services

- The Small Business Programs added rebates for Laundromat water heaters, direct-fired heaters, and dock door seals in PY5.
- d. Changes Due to EM&V Input, IL TRM Changes, NTG Changes, or Market Research Findings
- None during Q1
- e. For New Measures Added, TRC Screening Results
- SB Prescriptive - Water Heater 88% TE – Laundromat, TRC = 10.44
  - SB Prescriptive - Direct Fired Heaters, TRC = 4.54
  - SB Prescriptive - Dock Door Seals, TRC = 1.08
  - SB PTA - Water Heater 88% TE – Laundromat, TRC = 10.44
  - SB PTA - Direct Fired Heaters, TRC = 4.54
  - SB PTA - Dock Door Seals, TRC = 1.08